N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3/250-5 August 2007) UNITED STATES
DEPARTMENT OF THE INTERIOR THESIA, NM 88210

FORM APPROVED OMB No 1004-0137 Expires: July 31, 2010

| • | PARTMENT OF THE REAU OF LAND MAN | INTERIORITESIA, I IAGEMENT | aivi QC | 5 Lease Serial No. | xpires: July 31, 2010 |
|--|--|--|---|--|--|
| Do not use this | | ORTS ON WELLS to drill or to re-enter a APD) for such proposa | | 6. If Indian, Allottee o | FEE or Tribe Name |
| SUBMIT IN TRIPLICATE - Other instructions on page 2. | | | 7. If Unit of CA/Agreement, Name and/or No. | | |
| 1. Type of Well | • | · · | | NM -72 | |
| Oil Well Gas | Well Other | | | 8. Well Name and No. McKnight B Fee 1 | |
| 2 Name of Operator Roswell Operating LLC. | | | | 9. API Well No. 30-005-63112 | |
| 3a. Address | | 3b. Phone No. (include area code) | | 10. Field and Pool or Exploratory Area | |
| P O Box 2769 Hobbs, New Mexico 88241 | | 575-492-1236 | | W. Pecos Slope Ab | 0 |
| 4. Location of Wcll (Footage, Sec., T.,R., M., or Survey Description) 1250 FSL, 1960 FEL, UNIT O, SEC 27, T6S,R22E | | | 11. Country or Parish, State | | |
| 1250 FSL, 1960 FEL, 01411 O, 3EC 27, 165,N | | | Chaves, New Mexico | | |
| 12. CHE | CK THE APPROPRIATE BO | OX(ES) TO INDICATE NATUR | E OF NOTI | CE, REPORT OR OTH | ER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Notice of Intent | Acıdize | Deepen | Proc | Production (Start/Resume) Water Shut-Off | |
| | Alter Casing | Fracture Treat | Rec | Reclamation Well Integrity | |
| Subsequent Report | Casing Repair | New Construction | Reco | omplete | Other Change of operator |
| | Change Plans | Plug and Abandon | Tem | Temporarily Abandon | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Wat | Water Disposal | |
| Attach the Bond under which the following completion of the involtesting has been completed. Final determined that the site is ready for | hally or recomplete horizonta work will be performed or proved operations. If the operat Abandonment Notices must be final inspection.) | lly, give subsurface locations and ovide the Bond No. on file with ion results in a multiple completi be filed only after all requirement | d measured a BLM/BIA. I | nd true vertical depths of Required subsequent repoletion in a new interval | of all pertinent markers and zones. ports must be filed within 30 days 1, a Form 3160-4 must be filed once |
| Change of operator from McKay O Effective January 1, 2010. | ii Corp. to Roswell Operati | ng, LLC. | | | RECEIVED |

MAR 01 2010

NMOCD ARTESIA

| 14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed) M.Y. Merchant | Title Member |
|---|--------------------------------------|
| Signature best kfeelst | Date 12/23/2009 |
| THIS SPACE FOR FED | ERAL OR STATE OFFICE USE |
| Approved by /S/ DAVID R. GLASS | PETROLEUM ENGINEER Date FEB 1 8 2010 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant of that the applicant holds legal or equitable title to those rights in the subject lease which entitle the applicant to conduct operations thereon. | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

